LIBRARY
SUPREME COURT, U. S.

No. 954

Office-Supreme Court, U.S.
FILED
JUN 1 1962
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1961

ALAMANCE INDUSTRIES, INC., KAYSER-ROTH CORPORATION, AND KAYSER-ROTH HOSIERY COMPANY, INC., *Petitioners*

v.

THURMAN HOSIERY MILLS, INC., HUDSON HOSIERY COMPANY, BURLINGTON INDUSTRIES, INC., CLEVELAND HOSIERY COMPANY, AND MCCALLUM HOSIERY COMPANY, *Respondents*

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

THURMAN H. BROOKS
Greensboro, N. C.

JOHN W. MACKIE and
CARL G. LOVE
Washington, D. C.

Attorneys for Respondents

DAVIS RATH
Greensboro, N. C.

Of Counsel

PRESS OF BYRON S. ADAMS, WASHINGTON, D. C.

INDEX

	Page
Additional Statute Involved	1
Respondents' Statement of the Questions Presented	2
Statement of the Case	2
Argument	4
Conclusion	11

TABLE OF CASES

Atlantic Works v. Brady, 107 U.S. 192	11
Morton Salt Co. v. G. S. Suppiger Co., 314 U.S. 485	10
Motion Picture Patents Co. v. Universal Film Mfg. Co., 243 U.S. 502	10
Smith v. Nichols, 88 U.S. 112	9
United Shoe Machinery Co. v. United States, 258 U.S. 451	10

IN THE

Supreme Court of the United States

OCTOBER TERM, 1961

No. 954

ALAMANCE INDUSTRIES, INC., KAYSER-ROTH CORPORATION, AND KAYSER-ROTH HOSIERY COMPANY, INC., *Petitioners*

v.

TRIUMPH HOSIERY MILLS, INC., HUDSON HOSIERY COMPANY, BURLINGTON INDUSTRIES, INC., CLAUSSNER HOSIERY COMPANY, AND McCALLUM HOSIERY COMPANY, *Respondents*

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

ADDITIONAL STATUTE INVOLVED

The Statute, 35 U.S.C. § 103, set out in the Petition (page 3), can only be properly understood when also read in conjunction with 35 U.S.C. § 102, which reads in part as follows:

> "*Conditions for Patentability: Novelty and Loss of Right to Patent.*
>
> "A person shall be entitled to a patent unless—
>
> "(a) the invention was known or used by others in this country, or patented or described in a printed pub-

lication in this or a foreign country, before the invention thereof by the applicant for patent, or

"(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

. . . . . .

"(f) he did not himself invent the subject matter sought to be patented . . . or

"(g) before the applicant's invention thereof, the invention was made in this country by another, who had not abandoned, suppressed, or concealed it."

RESPONDENTS' STATEMENT OF THE QUESTIONS PRESENTED

For reasons hereinafter stated, and as is apparent from a reading of the decision of the Court of Appeals, there are no proper questions presented for review by this Court.

STATEMENT OF THE CASE

This is a patent suit, in which both Courts below held Petitioners' Bird et al. patent to be invalid in its entirety. In addition, the District Court declared the patent unenforcible, even if valid, because of Petitioners' use of the patent "as a means of suppressing the manufacture and sale of competing unpatented articles", and endeavoring to secure "the exclusive market for every support stocking when the patent does not extend that far" (Petition, Appendix C, page 15c). This ruling of misuse of the patent, by the District Court, was not reversed on appeal, though fully argued and briefed.

Even in certain contingent aspects of its decree which were most favorable to the patent, the District Court held all of the claims of the patent which broadly define the allegedly new stocking structure to be invalid, as lacking

invention and novelty over the prior art, and also invalid as indefinite.

The claim for invention on which the patent is based, is the use of at least three instead of two threads in each course of a conventionally knit stocking, in order that it would provide stronger support. Even this was old. (District Court Findings of Fact 8-16, PA 19-22)*

The Court of Appeals further held the patent invalid because "it offends, by the breadth of its claims, the very plan and purpose of the patent law" and because of "the patent's impermissible reach" which "encompasses without ceiling all of this type of stocking . . . a vast and unwarranted field is thus usurped by the patent." Since the Court of Appeals held the patent to be invalid, it did not regard it as necessary to consider the District Court's ruling that the patent was unenforcible because of its misuse, or the question of infringement.

Both the District Court and the Court of Appeals held the patent invalid because, prior to the alleged invention, and more than a year prior to the filing of the patent application for the Bird patent in suit,** one of the respondents, Burlington Industries, had made and sold a stocking having the *same* alleged *new construction* called for in the claims of the patent, and which performed the same purpose and function.

The petitioners present three "questions" for review, but the second and third of these which deal with narrower

* The designation PA, with page number, refers to the record in the Court of Appeals "Appendix for Appellees and Cross-Appellants", a volume having a blue cover.

** The sale, public use, or other publication of the subject matter of a patent more than one year before the patent application was filed is an absolute statutory bar against the validity of the patent. 35 U.S.C. 102, page 1 herein.

claims* of the patent are promptly abandoned in a footnote, being recognized and admitted by petitioners as not of "sufficient general import, beyond this case, to warrant certiorari" (Petition, page 3). The sole question which petitioners seriously urge is directed to the alleged invention of a new stocking *structure* as defined by the broader claims of the patent which both Courts below held invalid and which the Court of Appeals stated were so all-encompassing that "uncertainties and confusion arising from such a patent would be intolerable."

ARGUMENT

The petitioners are asking this Court to "review" a confected "question" which, as will be shown herein, has no relationship to the true facts of this case and does not involve an issue of law which was decided below. The bold inaccuracy of the question in itself warrants denial of the Petition under Rule 23-4 of this Court.

Petitioners artificially create as their reason for review the theory that the Court of Appeals erred in applying the so-called "flash of genius" test rather than the statutory test of 35 U.S.C. 103. Here, the petitioners do battle with something less than a strawman. The Court of Appeals specifically stated it did *not* apply any such "flash of genius" doctrine, stating (Petition, Appendix B, page 15b): "We are not now called upon to take a position on this question."

Rather than being concerned with this doctrine, the Court of Appeals found it was unnecessary to take a position on this question "because the patent was so utterly lacking in

---

* These narrower claims recite the same (and old) stocking structure as the broader claims, but prescribe certain manufacturing or production specification or standards in the form of values of resistance to stretch by machine tests at the knee, ankle, etc. It is easily understood why these claims would not be seriously urged for certiorari consideration.

novelty." They found the alleged improvement of the patent was "*obvious* at the time the invention was made to a person having ordinary skill in the art." * (35 U.S.C. 103), stating "*On this score alone* the Bird stocking is declared unpatentable by statute, . . ." (Petition, Appendix B, page 13b).

The Court of Appeals further stated "*we do not see novelty in any of the claims* . . . ", "there was *nothing original* in it", that the patent "*added nothing* [in] function or operation", and the Court correctly recognized:

> "The record contains *the frank testimony of three of the four inventors to the obviousness of the patented process.* They stated that the addition of denier and ends would be *an obvious way of increasing the force* and gripping power of the structure." (Petition, Appendix B, page 13b)

The Court of Appeals applied the standard of invention of 35 U.S.C. 103 and held the invention *entirely obvious*, stating:

> "It is readily seen that in assessing the prior art, the Patent Examiner failed to accord proper significance to the Burlington and previous developments. But this omission aside, the evidence generally rebuts the presumption [of validity], for a *generous preponderance of the evidence* proves the *want of either originality or ingenuity.* Indeed, it can be said, if necessary, that *the proof on this head goes beyond a reasonable doubt.* Evidence of such stature in respect to novelty and invention warrants, further, the conclusion in law that the presumption has been overborne and the patent invalid." (Petition, Appendix B, page 16b)

The nub of petitioners' argument seems to be the contention that such an *obvious* development should become patentable simply because, it is alleged, Bird and his coworkers happened to have struggled through a number of

---

* Emphasis ours throughout.

experiments before they themselves arrived at this particular (but old) stocking structure. For this contention, the petitioners cite and rely on the *second* sentence of 35 U.S.C. § 103, that "Patentability shall not be negatived by the manner in which the invention was made." This argument is without substance, because petitioners overlook the fact that, before this second sentence of 35 U.S.C. § 103 can have any effect, there must be some "*un*obvious" finding under the first sentence of 35 U.S.C. § 103. An *obvious* development *remains unpatentable* whether or not it was the result of a "long and painstaking experiment". The Courts below concluded there was no "invention" in the stocking construction claimed in the Bird patent because it was *old and obvious*, and properly held the patent was invalid.* The issue confected by petitioners in their "question" is actually never reached in this case, and was not a basis for the ruling of either Court below.

The petitioners' "question No. 1" is based on the fictitious statement that:

> "The Court of Appeals reversed the District Court on the issue of invention and held the entire patent invalid for want of invention, in that the new structure which produced the great increase in compressive strength of the patented stocking was discovered by lengthy experimentation rather than by inventive genius." (Petition, page 2)

---

* The Petition misleadingly suggests there was an "unequivocal finding" by the District Court that the "entire invention" was unobvious, quoting a *portion* of Finding of Fact 80 (Petition, page 11). This assertion is inconsistent with the actual ruling. The *first* sentence of Finding of Fact 80 (PA 35) shows that petitioners' quotation was related solely to the specific mechanically measured "forces" or manufacturing standards shown in Chart 1 of the patent. Not even the narrowest claims in the Bird patent were ever limited to all those production specifications.

Contrary to the representation of this "question", there is *not a single word* by the Court of Appeals that these patentees had "discovered by lengthy experimentation" the stocking described in their patent.

The fact is *both* courts below held the *entire* patent *invalid* on entirely different grounds, including the absence of invention and novelty, and obviousness. The District Court ruled:

> "There is no doubt in my mind that *the claims would not have been allowed over the Burlington stocking* if the patentees had performed their duty of making a true presentation of the state of the art . . ." (Petition, Appendix C, page 8C)

and the Decree of the District Court states:

> "United States Letters Patent No. 2,841,971, and *all of its claims* . . . is invalid and void . . ." (PA 52)

The Court of Appeals "*reached the same end* as did the District Judge in respect to the patent," (Petition, Appendix B, page 17b), and ruled:

> "But *the entire patent is invalid*, in our opinion, for want of invention. At the same time it *offends, by the breadth of its claims*, the very plan and purpose of the patent law. * * * *We do not see novelty* in any of the claims and, taken together, we think they are *'impermissably comprehensive.'* (Petition, Appendix B, page 7b)

There was no "reversal", the respective Courts merely reached *the same proper result by different reasoning.*

Petitioners' "question" would have one believe that the Court of Appeals found there was a "new structure" in the Bird patent, but, in fact, the Court of Appeals stated "*We do not see novelty in any of the claims* . . .", (Petition, Appendix B, page 7b) and concluded,

> "Thus, it appears that the Bird stocking was *no more than a reinforcement of the old.* There was

nothing original in it. It was but an extension of old ideas."* (Petition, page 10b)

Petitioners' "question" suggests the Court of Appeals found their stocking "produced the great increase in compressive strength". In fact, the Court of Appeals actually stated:

> "However, *no new function has been produced* by the Bird patent, for confessedly the prior art had embraced yarn-support stockings with such compression. *Bird added nothing in 'function or operation'*; it merely augmented the force of features already existent in earlier stockings." (Petition, Appendix B, page 12b)
> "As to compression, the patentees' own test charts attribute some measure of this desired property to prior art stockings, particularly the three-end fifteen denier Burlington stockings. There was expert testimony by one of Burlington's witnesses** that these stockings had therapeutic advantages." (Petition, Appendix B, page 10b)

Indeed, in a letter written *before* the petitioners' patent issued, the co-inventor Bird admitted "that Burlington and others had been making a stretch stocking with three ends of yarn *which would serve the same purpose*". (Plaintiffs' Exhibit No. 69, PA 210, 355)

The Court of Appeals properly recognized the unusual relevance of a prior and controlling decision of this Court,

---

* The identity of the claimed Bird et al stocking with the old Burlington stocking is readily seen from footnote 2 of the Opinion of the District Court (Petition, Appendix C, page 5c) which sets out in parallel columns the identical construction features of the two stockings. The patentees advanced their principal argument that their stocking has "at least three" ends or yarns in each loop of the knitted stocking, and the claims of the patent so emphasized and defined the invention. The record demonstrates, the Burlington stockings, sold continuously since 1955, had *precisely that three-end construction.*

** This witness actually was called by the petitioners, and the testimony referred to by the Court of Appeals was elicited on cross-examination. See Dr. Kernodle's testimony, PA 289 to 297.

Smith v. *Nichols*, 88 U.S. 112, 22 L. ed. 566 (1875), which invalidated a patent relating to an elastic woven fabric in language almost directly applicable to the Bird patent,

> "The evidence before us leaves to the complainant none of the particulars claimed as his invention, except perhaps *greater tightness* of the weave, a firmer grasping of the elastic cords by the weft threads half round above and below, and *greater beauty* and value of the fabric . . . But a mere carrying forward or new or more extended application of the original thought, *a change only in form, proportions, or degree*, the substitution of equivalents, doing substantially the same thing in the same way by substantially the same means with better results, is not such invention as will sustain a patent."

The Bird patent not only claimed an old construction, but claimed it "without limit". The Court of Appeals concluded the patent was invalid for this reason as well, because the

> "uncertainties and confusion arising from such a patent would be intolerable. . . . the patent would seem to embrace a therapeutic unplied monofilament torque nylon stocking with a compression even below the minimum pressures given in some of the claims and in the first table of the specification. For a surety, *it encompasses without ceiling* all of these type of stocking having a compressiveness above these measurements. The result would be to discourage a competitor, through fear of suit, to put on the market any such stocking with a plurality of ends, whatever its compression. A *vast and unwarranted field* is thus usurped by the patent." (Petition, Appendix B, page 16b)

In fact, *after* the filing of the present suit, the petitioners/patentees filed seven actions for patent infringement against customers of Burlington across the country from Boston to Seattle (Finding of Fact 30, PA 25). The District Court found as a fact (Finding of Fact 30, PA 25):

> "Subsequent to the issuance of the Bird patent, defendants embarked upon a plan to intimidate and harass

> the hosiery industry by using threats of suit on this patent. This plan included the bringing of suits at widely separated points throughout the country against retailers rather than against manufacturers."

It is interesting to note that, *contrary* to petitioners' suggestion of a "conflict" between the circuits, even though there were *eight different* suits on this patent across the country, *there is in fact no conflict between the circuits relating to the present patent.*[*]

The Bird patent was offered for license by the petitioners only in an agreement which the District Court found was an attempt to extend the "monopoly beyond that conferred by the patent and was endeavoring to prevent the licensee from making a stocking of 1 or 2 ends, 15 denier stretch nylon yarns" and that

> "It follows from what has been said that the patentee is using the lawful monopoly grant of the Bird patent as a means of suppressing the manufacture and sale of competing unpatented articles and endeavoring to extend the bounds of its lawful monopoly to give it the exclusive market for every support stocking when the patent does not extend that far. This practice is unlawful." (Petition, Appendix C, page 15c)

Thus, even if the patent had not been held invalid, it was held unenforcible under the doctrine of misuse. *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 37 S. Ct. 416, 61 L. ed. 871 (1917); *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 486, 62 S. Ct. 402, 86 L. ed. 363 (1942); *United Shoe Machinery Co. v. United States*, 258 U.S. 451, 42 S. Ct. 363, 66 L. ed. 708 (1922).

---

[*] See Finding of Fact 50, PA 29; Stipulation of Fact 108, PA 385. *All* of the suits against the various customers are now understood to stand *dismissed* but for one in which it is understood the defendant retailer is seeking adjudication of an antitrust counterclaim.

The Court of Appeals also referred to the "expanse of [the Bird patent] monopoly, with the *in terrorem* effect upon competitors" and held:

> "We think the patent is *violative of the purpose and plan of the Constitution and Statutes*, 35 U.S.C. 100, et seq., in granting letters patent. The harm is defined and described in *Atlantic Works* v. *Brady*, 107 U.S. 192, 200 (1883), Justice Bradley stating, 'To grant a single party a monopoly of every slight advance made, except where the exercise of invention, somewhat above ordinary mechanical or engineering skill, is distinctly shown, is unjust in principle and injurious in its consequences . . . It embarrasses the honest pursuit of business with fears and apprehensions of concealed liens and unknown liabilities, to law suits and vexacious accountings for profits made in good faith.'" (Petition, Appendix B, page 17b)

This Court also stated in *Atlantic Works* v. *Brady*, cited by the Court of Appeals (107 U.S. 192, 27 L. ed. 438, 441):

> "The design of the patent laws is to reward those who make some substantial discovery or invention . . . . It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade or an idea . . . . Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country, without contributing anything to the real development of the arts."

CONCLUSION

Respondents respectfully submit that the decision reached by both Courts below was entirely just and involves no error

nor misapplication of the law, nor conflict between decisions of different Courts of Appeal nor any question of possible interest or importance which should absorb the time of this Court.

It is submitted that the Petition for Writ of Certiorari should be denied under Rule 23-4 and as totally failing to meet the requirements of Rule 19-1(b).

Respectfully submitted,

THORNTON H. BROOKS
Greensboro, N. C.

JOHN W. MALLEY and
CARL G. LOVE
Washington, D. C.

Attorneys for Respondents

DAVID RABIN
Greensboro, N. C.

Of Counsel